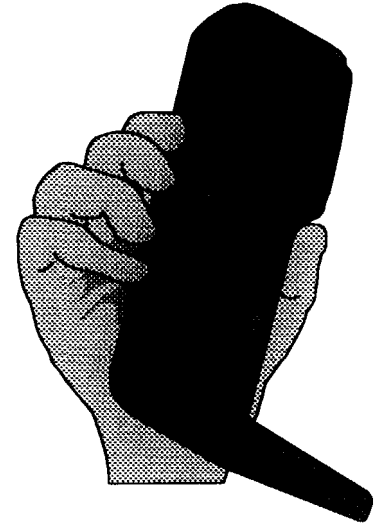


RECEIVED

JUL - 7 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

John Bensch, CFA
Equity Research
Wireless Communications

No. of Copies rec'd
List A B C D E

Address: Three World Financial Center, New York, NY 10285
Phone: (212) 526-1869 Fax: (212) 526-3944
E-Mail: jbensche@lehman.com

LEHMAN BROTHERS

Recommendations

- ◆ **Do it quickly - weeks, not months**
- ◆ **Give back interest payments made for March 31**
- ◆ **Change the rate on the debt to 6.5%**
- ◆ **Make all the rule changes proposed**
 - no minimum for the control group
 - up to 49.9% for any other investor
 - foreign ownership up to WTO levels now

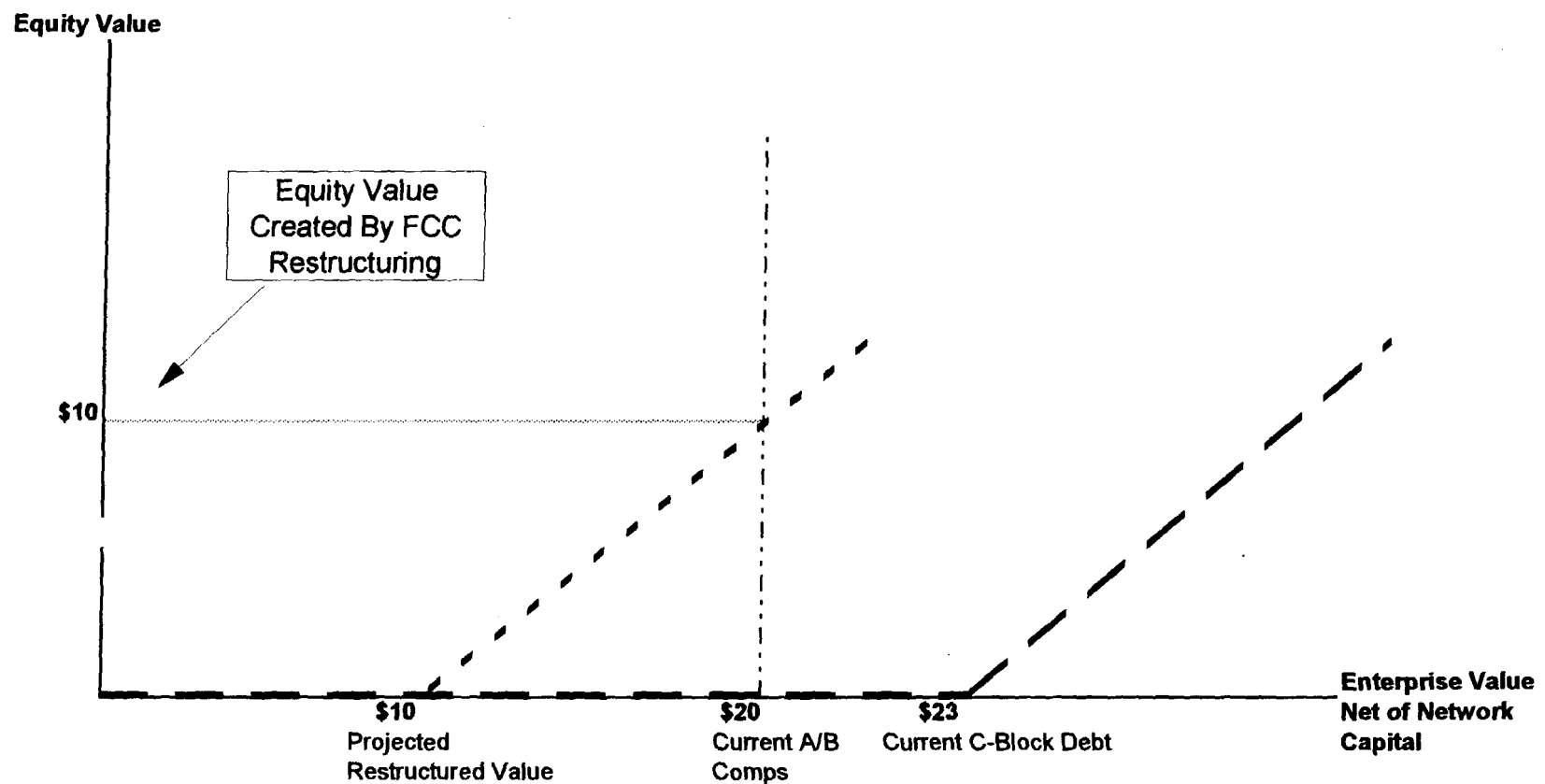
...but these steps are not enough.

Further Recommendations

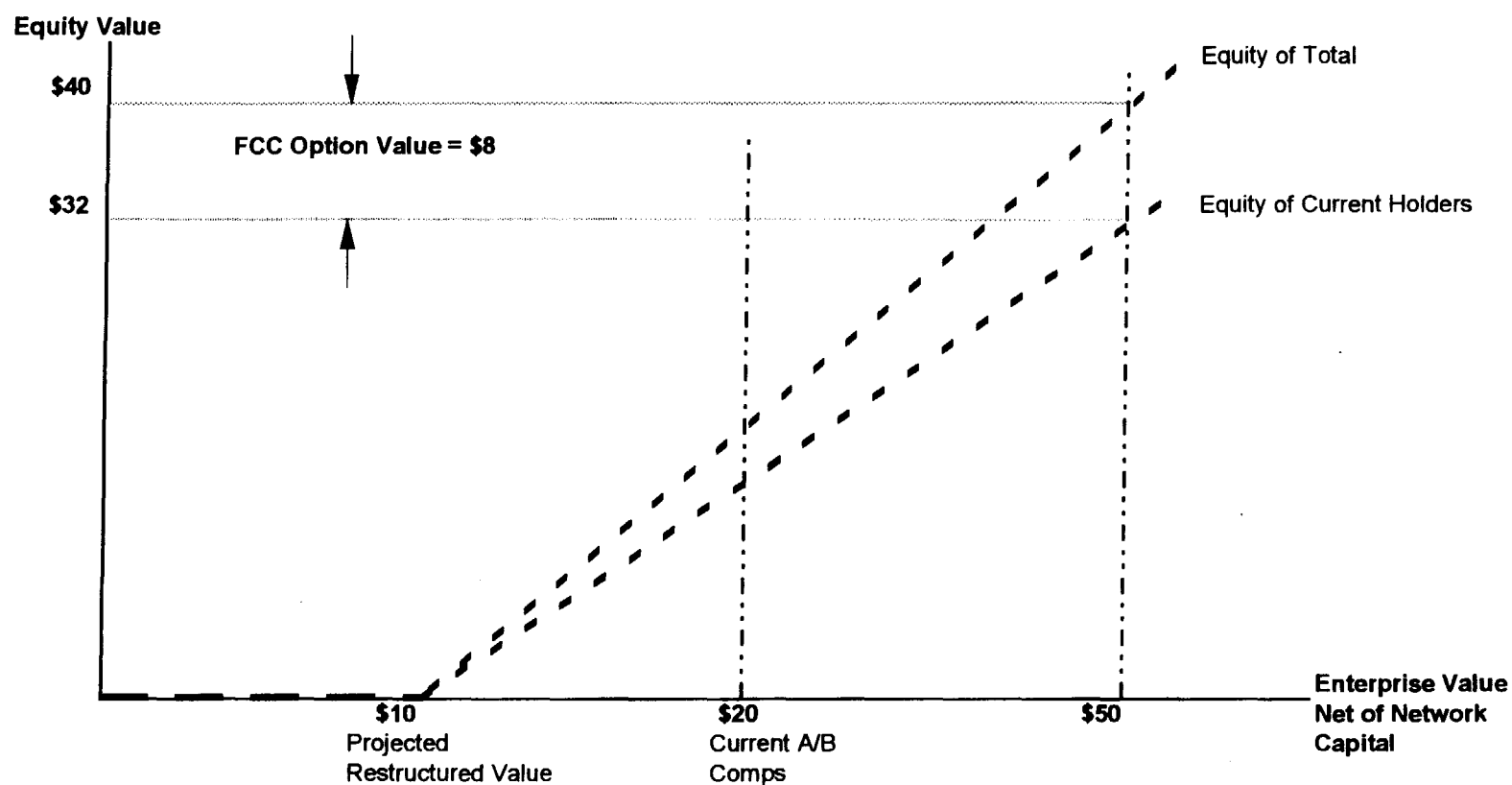
- ◆ **Get the debt below \$10 per-POP**
 - defer principal and interest
 - cut the principal outright
 - possibly offer the gov't equity in return for debt relief

- ◆ **Remove debt from government hands**
 - allow pre-payment by bidders
 - securitize and sell the portfolio
 - allow transfer of the lien to non-DE in distress situations
 - FCC avoids further workouts in the future

Effects of Debt Restructuring



Effects of Equity Proposal





13810 24th Avenue North
Plymouth, Minnesota 55441
Phone (612) 512-8300
Fax (612) 512-8333

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JUL - 7 1997

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

June 17, 1997

Mr. Michael Roberts- Chairman
National Association of PCS Entrepreneurs
1408 Kingshighway Suite 300
St. Louis, MO 63113

Mr. Roberts:

I have reviewed your position paper to the FCC addressing the restructure of C & F block PCS license payments and am writing to provide WirelessNorth support for your comments.

WirelessNorth is the management company formed to operate the licenses won by a number of rural telephone companies, primarily in Minnesota. As such, we have 16 licenses covering 13 BTAs in a rough doughnut surrounding, but not including Minneapolis and St. Cloud.

110 thousand square miles covering only 2.4 million POPs makes our markets decidedly rural and gives us a different perspective on the costs and opportunity associated with the provision of PCS in small towns and rural markets.

Specifically, while we have secured initial construction financing, the cost of capital plus the need to make scheduled license payments have forced us to cut back on towns to build as well as attempt to deal off "partitions" for areas we'd much rather build ourselves. Relief from license payments temporarily would have the real effect of wider deployment of PCS service more quickly as license payment dollars could be diverted to system construction.

WirelessNorth and our license holder owners support the following:

- A plan (NAPE's, MCI's or some similar) to relieve C&F block winners from FCC license payments that detract from finance and construction options.
- A fair interest rate to relieve the inequity caused when those of us who submitted clean license applications and received our licenses found that those who submitted faulty applications and had license awards delayed, ended up with a lower rate.

Lastly, I point out a caution. In your position paper you mention strict enforcement of the buildout requirement the Commission places on a license holder. While supportive of the need to require a licensee to construct a system(s) if granted payment relief instead of allowing licenses to be held for speculative purposes, we are finding that in certain rural BTA's when combined with the limited distance of a PCS signal; covering 2/3 of the population is an economic impossibility. Regardless of license payments, the laws of population demographics and physics can't be changed. Therefore, we could not support any modification to the buildout requirements imposed by the Commission that would prevent a buildout coverage waiver on a case by case basis.

Please feel free to add this letter of support to your documentation for the Commission, and call if I can be of further assistance.

Sincerely,

M. P. (Rick) Rappe
President-CEO

THIRD KENTUCKY CELLULAR CORPORATION

Thomas G. Ward, President

447 Springhill Drive

Lexington, KY 40503

(606) 276-1722

June 10, 1997

Mr. Michael V. Roberts, Chairman
National Association of PCS Entrepreneurs
1408 No. Kingshighway Suite 300
St. Louis, MO 63113

VIA FACSIMILE: (314) 367-0174

Dear Mr. Roberts:

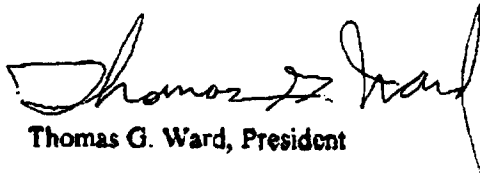
Please accept my strong support for your position paper to the Federal Communications Commission concerning the financial constraints we are experiencing as C and F Block licensees. As the former owner of First Kentucky Cellular Corporation, I was able to choose from several anxious lenders not only for equipment funding, but for operating capital as well, because I owned the critical piece of collateral, the license, free and clear.

This time, we are approaching uneasy lenders who have expressed major concerns with the fact that PCS is a "new" industry, and the knowledge that the C and F Block licensees are at a competitive disadvantage since the A and B Block winners typically have more experience and a big head start on us. We are still trying to secure acceptable financing today, and potential lenders have acknowledged to us that our obligation to the FCC under the current terms is a major deterrent.

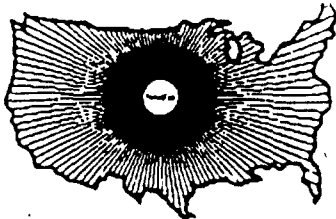
Thank you for your assistance on this most critical issue.

Sincerely,

THIRD KENTUCKY CELLULAR CORPORATION



Thomas G. Ward, President



NATIONAL ASSOCIATION OF BLACK OWNED BROADCASTERS

1333 New Hampshire Avenue, N.W., Suite 1000, Washington, D.C. 20036
(202) 463-8970 • Fax (202) 429-0657

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*Southwestern Regional
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KAREN SLADE
Far West Regional Representative
MICHAEL ROBERTS
Television Representative

WASHINGTON OFFICE
JAMES L. WINSTON
*Executive Director
and General Counsel*

June 11, 1997

VIA FACSIMILE & HAND DELIVERY

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

Re: Petition of the National Association of Black Owned
Broadcasters in support of the position paper submitted by the
National Association of PCS Entrepreneurs

Dear Chairman Hundt:

The National Association of Black Owned Broadcasters, Inc. ("NABOB") is the trade association representing the interests of African American owned commercial television and radio stations and cable systems throughout the United States. In that capacity, NABOB has two principal objectives: (1) to increase the number of African American owners of telecommunications facilities and (2) to improve the business climate in which African American owned telecommunications facilities operate. With those objectives in mind and recognizing that many NABOB members have become licensed in PCS auctions, NABOB takes this opportunity to support the position paper submitted by the National Association of PCS Entrepreneurs ("NAPE") regarding the restructuring of installment payments for C and F Block broadband PCS licensees.

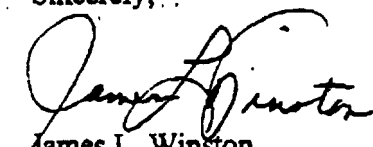
The Honorable Reed Hundt
June 11, 1997
Page Two

As you are well aware, the market for wireless stocks has soured and therefore many C and F Block licensees are facing financing difficulties. This is of particular concern to NABOB since, as was presented to the Commission in our comments regarding §257 *Proceeding to Identify and Eliminate Market Entry Barriers for Small Businesses*,¹ financing is already a formidable obstacle to African American ownership, independent of the particular circumstances of the market. Thus, in the current down-turned PCS market, the difficulties of access to capital for African American C and F Block PCS licensees are exacerbated.

Therefore, NABOB commends the Commission for suspending the installment payment obligations for C & F block licensees and for seeking comment on proposals to restructure the license debt repayment obligations. NABOB will be filing comments on the installment payment issue as well as on the related issue of the appropriate interest rate to apply to C Block licenses, which is also the subject of public comment.

Thank you for your consideration of NABOB's petition in support of the position paper submitted by NAPE in these matters.

Sincerely,



James L. Winston
Executive Director

cc: Honorable Susan Ness
Honorable Rachelle Chong
Honorable James Quello

¹ See, NABOB Comments at 4-5, filed October 15, 1996, *In the Matter of §257 Proceeding to Identify and Eliminate Market Entry Barriers for Small Businesses*, GN Docket No. 96-113.

URBAN COMMUNICATORS PCS LIMITED PARTNERSHIP

505 Eighth Avenue, 9th Floor • New York, New York 10018 • (212) 714-1000 • Fax (212) 714-1563

June 11, 1997

VIA FACSIMILE & HAND DELIVERY

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

Re: Petition of Urban Comm-North Carolina, Inc. in support of the position paper submitted by the National Association of PCS Entrepreneurs

Dear Chairman Hundt:

Urban Comm-North Carolina, Inc. ("Urban Comm") is an African American owned, start-up, small business which has acquired broadband PCS licenses for 10 Basic Trading Areas ("BTAs") in Eastern North Carolina in the C Block and for 13 BTAs in Virginia, North Carolina, and South Carolina in the F Block. Urban Comm takes this opportunity to support the position paper submitted by the National Association of PCS Entrepreneurs ("NAPE") regarding the restructuring of C and F Block installment payments.

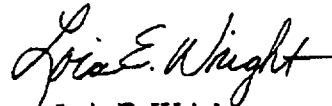
The market for wireless stocks has been negatively influenced by uncertainty as to the regulatory climate and the Commission's seeming lack of enthusiasm for the C Block, and therefore many C and F Block licensees are facing financing difficulties. This is of particular concern to Urban Comm since, independent of the particular circumstances of the market, financing is already a formidable obstacle to African American ownership. Thus, in the current down-turned PCS market, the difficulties of access to capital for African American owned companies with C and F Block licenses, like Urban Comm, are exacerbated.

Therefore, Urban Comm commends the Commission for suspending the installment payment obligations for C and F Block licensees and for seeking comment on proposals to restructure the license debt repayments. Urban Comm will be filing comments on the installment payment issue as well as on the related issue of the appropriate interest rate to apply to C Block licenses, which is also the subject of public comment.

The Honorable Reed Hundt
June 11, 1997
Page Two

Thank you for your consideration of Urban Comm's petition in support of the position paper submitted by NAPE in these matters.

Sincerely,


Lois E. Wright
Treasurer

cc: Honorable Susan Ness
Honorable Rachelle Chong
Honorable James Quello

Alpine PCS, Inc
1421 West Main Street
Gaylord, Michigan 49735
(517)731-1433

June 10, 1997

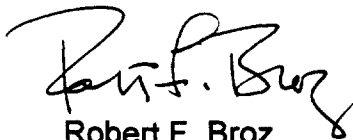
Mr. Michael Roberts
Roberts-Roberts & Associates, LLC
1408 North Kingshighway
St. Louis, Missouri 63113

Dear Mr. Roberts:

We have reviewed a copy of the National Association of PCS Entrepreneurs (NAPE) position paper proposing a restructuring of the C and F Block Notes. We agree that the FCC should consider restructuring the C and F Block debt as you expressed in your paper.

Alpine PCS will be filing comments relative to the FCC's public notice regarding the debt restructuring. Thank you for your valuable input and your leadership in this very important matter. The debt restructure will certainly aid the FCC's goal of creating a viable Entrepreneurs Block which will offer competitive services in the wireless marketplace.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "R. F. Broz", with a stylized flourish at the end.

Robert F. Broz
President

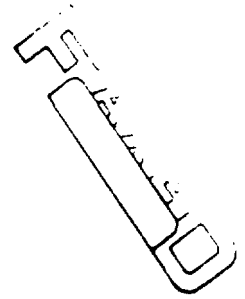
Eldorado Communications, L.L.C.

860 Ridge Lake Boulevard

Suite 312

Memphis, Tennessee 38120

Phone: (901) 763-3333 Fax: (901) 763-3369



June 16, 1997

via FAX

Representative Edward Markey
House Commerce Committee
2183 Rayburn House Office Building
Washington, DC 20515

Dear Representative Markey:

I am writing you as an investor, officer, and director of Eldorado Communications, LLC, who was the successful bidder for C & F Block PCS licenses in Mississippi, Florida, Michigan, and Arkansas.

As one of many small business owners who have obtained C & F Block licenses, I would like to bring to your attention an issue that is coming before the Federal Communications Commission (FCC) that will greatly impact the stability of our businesses.

The C & F Block licenses were set aside by the FCC for entrepreneurs, which included primarily minority and women-owned businesses, small businesses, and rural telephone companies. This was to give these types of businesses the opportunity to develop competitive wireless communications services. However, due to delays in starting the C & F Block Auction, the larger A & B Block PCS service providers gained a competitive edge on the small businesses.

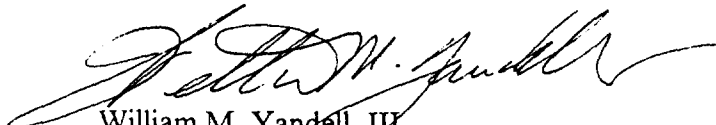
These larger service providers have obtained the majority of vendor financing that was to be available to the small businesses who had won C & F Block licenses. The larger service providers also have a tremendous advantage with their existing infrastructure and cash flow. Therefore, the lack of vendor financing left the C & F Block licensees to finance and build out their systems with only internal resources. Without this vendor support, and in the face of such formidable competition, the C & F Block licensees are having a hard time securing financial stability.

The FCC has committed to finance the C & F Block license payments over the ten year period of the license. The current payment schedule calls for interest payments to be submitted quarterly for the first six years of license term and interest plus principal payments during years seven through ten. I am requesting that consideration be given to restructuring the payment plan to

suspending all payments due until the end of the fifth year of license, with interest only for the remaining five years of license and the principal due in the tenth year.

I will appreciate any support that you can give to this financial restructuring, since it will benefit both the government and the small businessman.

Sincerely,

A handwritten signature in dark ink, appearing to read "William M. Yandell, III". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

William M. Yandell, III
Chief Executive Officer

Enclosure

cc: National Association of PCS Entrepreneurs

WMY:tg

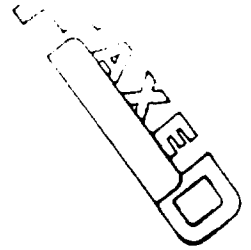
Eldorado Communications, L.L.C.

860 Ridge Lake Boulevard

Suite 312

Memphis, Tennessee 38120

Phone: (901) 763-3333 Fax: (901) 763-3369



June 16, 1997

via FAX

Mr. John Dingell
House Commerce Committee
2183 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Dingell:

I am writing you as an investor, officer, and director of Eldorado Communications, LLC, who was the successful bidder for C & F Block PCS licenses in Mississippi, Florida, Michigan, and Arkansas.

As one of many small business owners who have obtained C & F Block licenses, I would like to bring to your attention an issue that is coming before the Federal Communications Commission (FCC) that will greatly impact the stability of our businesses.

The C & F Block licenses were set aside by the FCC for entrepreneurs, which included primarily minority and women-owned businesses, small businesses, and rural telephone companies. This was to give these types of businesses the opportunity to develop competitive wireless communications services. However, due to delays in starting the C & F Block Auction, the larger A & B Block PCS service providers gained a competitive edge on the small businesses.

These larger service providers have obtained the majority of vendor financing that was to be available to the small businesses who had won C & F Block licenses. The larger service providers also have a tremendous advantage with their existing infrastructure and cash flow. Therefore, the lack of vendor financing left the C & F Block licensees to finance and build out their systems with only internal resources. Without this vendor support, and in the face of such formidable competition, the C & F Block licensees are having a hard time securing financial stability.

The FCC has committed to finance the C & F Block license payments over the ten year period of the license. The current payment schedule calls for interest payments to be submitted quarterly for the first six years of license term and interest plus principal payments during years seven through ten. I am requesting that consideration be given to restructuring the payment plan to

suspending all payments due until the end of the fifth year of license, with interest only for the remaining five years of license and the principal due in the tenth year.

I will appreciate any support that you can give to this financial restructuring, since it will benefit both the government and the small businessman.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. M. Yandell, III', with a stylized flourish at the end.

William M. Yandell, III
Chief Executive Officer

Enclosure

cc: National Association of PCS Entrepreneurs

WMY:tg

Eldorado Communications, L.L.C.

860 Ridge Lake Boulevard

Suite 312

Memphis, Tennessee 38120

Phone: (901) 763-3333 Fax: (901) 763-3369

June 16, 1997

Mr. William Caton
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

Dear Secretary Caton:

I am writing you in response to Public Notice WT Docket 97-82, DA 97-679, dated June 2, 1997. Please note that I am an investor, officer, and director of Eldorado Communications, LLC, who was the successful bidder for C & F Block PCS licenses in Mississippi, Florida, Michigan, and Arkansas.

As one of many small business owners who have obtained C & F Block licenses, I would like to bring to your attention an issue that is coming before the Federal Communications Commission (FCC) that will greatly impact the stability of our businesses.

The C & F Block licenses were set aside by the FCC for entrepreneurs, which included primarily minority and women-owned businesses, small businesses, and rural telephone companies. This was to give these types of businesses the opportunity to develop competitive wireless communications services. However, due to delays in starting the C & F Block Auction, the larger A & B Block PCS service providers gained a competitive edge on the small businesses.

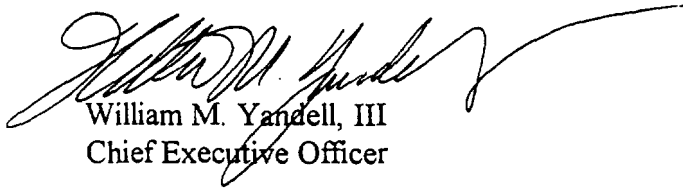
These larger service providers have obtained the majority of vendor financing that was to be available to the small businesses who had won C & F Block licenses. The larger service providers also have a tremendous advantage with their existing infrastructure and cash flow. Therefore, the lack of vendor financing left the C & F Block licensees to finance and build out their systems with only internal resources. Without this vendor support, and in the face of such formidable competition, the C & F Block licensees are having a hard time securing financial stability.

The FCC has committed to finance the C & F Block license payments over the ten year period of the license. The current payment schedule calls for interest payments to be submitted quarterly for the first six years of license term and interest plus principal payments during years seven

through ten. I am requesting that consideration be given to restructuring the payment plan to suspending all payments due until the end of the fifth year of license, with interest only for the remaining five years of license and the principal due in the tenth year.

I will appreciate any support that you can give to this financial restructuring, since it will benefit both the government and the small businessman.

Sincerely,

A handwritten signature in dark ink, appearing to read 'William M. Yandell, III', with a long, sweeping horizontal line extending to the right.

William M. Yandell, III
Chief Executive Officer

Enclosure

cc: National Association of PCS Entrepreneurs

WMY:tg



May 30, 1997

Congressman Ted Strickland
1236 Gallia St.
Portsmouth, OH 45662

Dear Congressman Strickland:

I would like to thank you in advance for the opportunity to meet with you in your Portsmouth office next Friday, June 6, 1997 at 11:00 a.m. Please express our gratitude to Ms. McGlynn for making the necessary arrangements. As I mentioned in my phone conversation with her, I will be unable to attend the meeting next Friday. Our company will be represented instead by Joe Watson, our Director of Finance, and Joe Corbin, our Vice President of Technology. I'm certain you will enjoy the chance to talk with them.

As you may be aware, I am now serving as President of Horizon Personal Communications, an affiliate of The Chillicothe Telephone Company. Horizon Personal Communications currently provides internet access (under the name bright.net) and paging services throughout southeastern Ohio. We also acquired PCS spectrum in the entrepreneurs block auction (C block) also covering all of southeastern Ohio and parts of West Virginia and Kentucky.

We have requested this meeting with you to familiarize you with this exciting new business which covers much of your district and to discuss some issues pending at the FCC which could have a major impact on our business and upon the economic development of the counties in your district. Specifically, we are seeking your support of an effort at the FCC to delay C and F block interest payments for five years.

Due to delays in the entrepreneurs block auction and a tough capital market, many C and F block PCS carriers are facing some serious difficulties acquiring the financing necessary to build out their markets. The FCC's original commitment has been to finance C and F block license payments over a ten year term, with quarterly interest-only payments for the first six years. While this payment plan appeared benevolent and supportive initially, the financial burden proposed by the current repayment plan has made it impossible for many companies to acquire the financing necessary to build out their networks. This is particularly unfortunate since most of these carriers, like us, are focused on providing the latest digital wireless technology to the non-metropolitan areas of the country that are not of much interest to the larger providers.

Bill McKell • President
68 E. Main St. • P.O. Box 480 • Chillicothe, OH 45601-0480
Telephone: 614-772-8289 • Fax: 614-774-3400
E-Mail: wamckell@bright.net

Because of our company's strength and reputation as a local telephone company, we have been able to find financing and are in the process of building out our service areas. However, we have found the cost of money to be higher than it should be for us. More importantly, the quarterly interest payments we are required to make to the government, during a time when we have little or no associated revenue, prevent us from building as complete a network as we would like to build in southern Ohio. We are also very dependent upon our neighboring C block carriers. Their success in building quality networks is important to us and our business plan as well as the communities they intend to serve.

In an effort to keep the C and F block carriers viable (and able to meet their long term payment obligations to the government), the National Association of PCS Entrepreneurs (NAPE) is encouraging the FCC to revise the repayment schedule to delay all interest payments for five years. This will allow all capital to be focused on establishing quality networks so that the revenue streams will be in place to allow complete repayment of the debt.

While we have already arranged financing and have much less to gain by this proposal than many other C and F block carriers do, we completely support any effort on the FCC's part to delay interest payments. We believe that a rising tide raises all boats. We--carriers and consumers alike--are all benefited by more viable C and F block carriers.

We hope you will join us in supporting this proposal. We look forward to discussing the issues with you in more detail and sharing with you the exciting ways our new technology will benefit the residents of the district.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill McKell". The signature is fluid and cursive, with the first name "Bill" and last name "McKell" clearly distinguishable.

Bill McKell

R.F.W. INC.
580 Fifth Avenue
27th Floor
New York, NY 10036

Via Facsimile Transmission

June 2, 1997

The Honorable Senator Daniel Patrick Moynihan
United States Senate
464 Russell Office Building
Washington, D.C. 20510-3201

Re: Restructuring of C-Block Licensee Debt

Dear Senator Moynihan:

I am writing to you in support of the position paper developed by the National Association of PCS Entrepreneurs ("NAPE") for presentation to the FCC concerning the restructuring of the payment schedule for C- and F-Block licenses awarded in the recent FCC auctions to "Entrepreneurs" and "Small Businesses." RFW is a New York corporation headquartered in New York which was awarded one of the C-Block licenses and will act as a reseller of Personal Communications Services ("PCS") in the State of New York and elsewhere in the United States.

It is our understanding that Congress and the FCC took the initiative in creating the C- and F-Block spectrums as the Entrepreneur's Block in order to foster competition in the wireless communications industry by providing access to licenses for the smaller, entrepreneurial companies such as ours. As a result of such initiative, C- and F-Block PCS licenses were awarded to more than 80 independent, entrepreneurial companies, including RFW. Owing to this initiative, RFW and other licensees in the Entrepreneur's Block that qualified as "Small Businesses," were able to participate in the industry along with other Entrepreneurs. The inclusion of such Small Businesses and Entrepreneurs created the potential for true competition within the wireless communications industry, among both facilities and non-facilities based providers. The potential for competition is particularly important to the creation of real opportunities for resellers, such as RFW, through whom lower prices may be made available to the American public.

RFW, along with the other companies in this group, also plans to offer innovative wireless communications products and services to the American consumer. But various factors, including the need to make payments to the FCC under the current license payment schedule, have made it difficult, if not impossible, for Small Businesses and Entrepreneurs to obtain the funds necessary to develop their products and services. Access to capital by small businesses is, as I am sure you are aware, always limited, but for small businesses in the PCS industry, capital has become even more limited, as the combined result of licensing delays, the enormous costs involved in launching a PCS business, and devaluation by the public markets of securities issued by companies in the wireless

The Honorable Senator Daniel Patrick Moynihan

June 2, 1997

Page 2

industry, in particular, the securities of new entrants. Delays in holding the Entrepreneurs' Block license auctions have given the larger and more established telecommunications companies the advantages of time, in addition to their inherent advantage of greater internal financial resources and access to external funding sources. Effective action must be taken soon if Small Businesses and Entrepreneurs are to have any real chance of competing in the wireless communications industry.


Aware of the financial difficulties facing the Entrepreneurs, the FCC suspended payments for an undefined period in March of this year. This action helped Small Businesses for a short period, but in the absence of a defined time period for suspension of payments, we have had difficulty determining the amount of capital we will need to launch our businesses and the time required to do so. The absence of certainty as to such matters has created even greater obstacles to our securing financing, without which we will not be able to succeed. The repayment schedule for PCS licenses which is currently under suspension provided for quarterly payments of interest for six years and of principal and interest for the remaining 10-year term of each license.

RFW is writing to you because we understand that the FCC is currently considering additional means to ensure that Entrepreneurs and Small Business licensees can compete effectively in the wireless industry; we are seeking your support of swift and appropriate action by the FCC. In support of NAB's position, we ask that all payments be suspended for the first five years of each Entrepreneur's license term. This will enable such licensees to comply with the existing network build-out requirements -- which we expect to be strictly enforced, while meeting their financial commitments to the U.S. government. We strongly believe that adoption of NAB's position will result in increased competition, lower prices and better service to consumers, and the creation of additional jobs in the areas of PCS development -- in RFW's case, in New York.

I am enclosing a copy of the position paper to be presented by NAB to the FCC shortly. This paper urges the restructuring of license payments as described above. We hope to have your support. Support by you and other members of Congress is needed to ensure that the commitment to small businesses expressed in the Omnibus Reconciliation Act of 1993 becomes a reality.

With much appreciation for your anticipated support, I am,

Very truly yours,


Meilech Friedman
President

MF/jp
Attachment

R.F.W. INC.
580 Fifth Avenue
27th Floor
New York, NY 10036

Via Facsimile Transmission

June 2, 1997

The Honorable Senator Christopher Bond
United States Senate
Russell Office Building
Washington, D.C. 20510-2503

Re: Restructuring of C-Block Licensee Debt

Dear Senator Bond:

I am writing to you in support of the position paper developed by the National Association of PCS Entrepreneurs ("NAPE") for presentation to the FCC concerning the restructuring of the payment schedule for C- and F-Block licenses awarded in the recent FCC auctions to "Entrepreneurs" and "Small Businesses." RFW was awarded the C-Block license for the Kirksville, Missouri area and will act as a reseller of Personal Communications Services ("PCS") within the State of Missouri and elsewhere in the United States.

It is our understanding that Congress and the FCC took the initiative in creating the C- and F-Block spectrums as the Entrepreneur's Block in order to foster competition in the wireless communications industry by providing access to licenses for the smaller, entrepreneurial companies such as ours. As a result of such initiative, C- and F-Block PCS licenses were awarded to more than 80 independent, entrepreneurial companies, including RFW. Owing to this initiative, RFW and other licensees in the Entrepreneur's Block that qualified as "Small Businesses," were able to participate in the industry along with other Entrepreneurs. The inclusion of such Small Businesses and Entrepreneurs created the potential for true competition within the wireless communications industry, among both facilities and non-facilities based providers. The potential for competition is particularly important to the creation of real opportunities for resellers, such as RFW, through whom lower prices may be made available to the American public.

RFW, along with the other companies in this group, also plans to offer innovative wireless communications products and services to the American consumer. But various factors, including the need to make payments to the FCC under the current license payment schedule, have made it difficult, if not impossible, for Small Businesses and Entrepreneurs to obtain the funds necessary to develop their products and services. Access to capital by small businesses is, as I am sure you are aware, always limited, but for small businesses in the PCS industry, capital has become even more limited, as the combined result of licensing delays, the enormous costs involved in launching a PCS business, and devaluation by the public markets of securities issued by companies in the wireless

The Honorable Senator Christopher Bond
June 2, 1997
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industry, in particular, the securities of new entrants. Delays in holding the Entrepreneurs' Block license auctions have given the larger and more established telecommunications companies the advantage of time, in addition to their inherent advantage of greater internal financial resources and access to external funding sources. Effective action must be taken soon if Small Businesses and Entrepreneurs are to have any real chance of competing in the wireless communications industry.

Aware of the financial difficulties facing the Entrepreneurs, the FCC suspended payments for an undefined period in March of this year. This action helped Small Businesses for a short period, but in the absence of a defined time period for suspension of payments, we have had difficulty determining the amount of capital we will need to launch our businesses and the time required to do so. The absence of certainty as to such matters has created even greater obstacles to our securing financing, without which we will not be able to succeed. The repayment schedule for PCS licenses which is currently under suspension provided for quarterly payments of interest for six years and of principal and interest for the remaining 10-year term of each license.

RFW is writing to you because we understand that the FCC is currently considering additional means to ensure that Entrepreneurs and Small Business licensees can compete effectively in the wireless industry; we are seeking your support of swift and appropriate action by the FCC. In support of NAPE's position, we ask that all payments be suspended for the first five years of each Entrepreneur's license term. This will enable such licensees to comply with the existing network build-out requirements -- which we expect to be strictly enforced, while meeting their financial commitments to the U.S. government. We strongly believe that adoption of NAPE's position will result in increased competition, lower prices and better service to consumers, and the creation of additional jobs in the areas of PCS development -- in RFW's case, in Missouri.

I am enclosing a copy of the position paper to be presented by NAPE to the FCC shortly. This paper urges the restructuring of license payments as described above. We hope to have your support. Support by you, as Chairman of the Senate Committee given responsibility for promoting the interests of small businesses, and other members of Congress, is needed to ensure that the commitment to small businesses expressed in the Omnibus Reconciliation Act of 1993 becomes a reality.

With much appreciation for your anticipated support, I am,

Very truly yours,



Meilech Friedman
President

MF/jp
Attachment

>From: David Fernald, Jr.[SMTP:fernal@ptd.net]
>To: fmbnape@us.net
>Subject: MFRI Inc. Support for NAPE Position re License Payments
>
>To Whom it may concern,
>
> MFRI Inc. is a small entrepreneurial company in Pennsylvania that
>was the successful bidder for three C & F block licenses in Northeastern
>Pennsylvania. As such MFRI supports the National Association of PCS
>Entrepreneurs (NAPE) position vis-a-vis the proposal to "restructure the
>C&F Block financial obligations for license payments by suspending all
>payments due until the end of the fifth year of license (coupled with
>strict enforcement of network build-out requirements); with the balance of
>principal and interest paid over the remaining five years of license."
> This seems like a reasonable method for keeping the integrity of
>the bidding results while allowing entrepreneurs to conserve capital for
>use in building and operating PCS networks. These entrepreneurial networks
>will then be enabled to perform the purposes for which the FCC's rules
>were formulated.
>
>Respectfully submitted,
>
>df
>
>//s//
>David Fernald, Jr.
>fernal@ptd.net

Subject: FW: MFRI Inc. Support for NAPE Position re License Payments
Date: Tue, 3 Jun 1997 14:19:07 -0700
X-Mailer: Microsoft Exchange Server Internet Mail Connector Version 4.0.994.63
MIME-Version: 1.0
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